

CASA OF CENTRAL LOUISIANA, INC.
NATCHITOCHES, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
CASA of Central Louisiana, Inc.
Natchitoches, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of CASA of Central Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of Central Louisiana, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of CASA Assistance Program TANF Revenue and Expenditure Activity is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 23, 2014 on my consideration of CASA of Central Louisiana, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CASA of Central Louisiana, Inc.'s internal control over financial reporting and compliance.



DeRidder, Louisiana
December 23, 2014

FINANCIAL STATEMENTS

Statement of Financial Position
June 30, 2014

ASSETS

Current Assets:

Cash and cash equivalents	\$ 36,974
Gift cards	350
Receivables:	
TANF grant	18,855
Prepaid insurance	6,332
Total current assets	<u>\$ 62,511</u>

Noncurrent Assets:

Capital assets, net of accumulated depreciation	\$ 1,536
Total assets	<u><u>\$ 64,047</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 946
Payroll taxes payable	4,094
Total current liabilities	<u>\$ 5,040</u>

Net Assets:

Temporarily restricted	\$ 346
Unrestricted	58,661
Total net assets	<u>\$ 59,007</u>

Total liabilities and net assets	<u><u>\$ 64,047</u></u>
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The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2014

SUPPORT AND REVENUE

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT</u>			
TANF grant	\$ 228,779	\$ -	\$ 228,779
Rapides Foundation grant	-	25,000	25,000
Other contributions	20,350	-	20,350
Fundraising	24,524	-	24,524
Net assets released from restrictions	38,352	(38,352)	-
Total support	<u>\$ 312,005</u>	<u>\$ (13,352)</u>	<u>\$ 298,653</u>
<u>REVENUE</u>			
Interest	\$ 409	\$ -	\$ 409
Credit card rebates	1,590	-	1,590
Candy sales	1,421	-	1,421
Total revenue	<u>\$ 3,420</u>	<u>\$ -</u>	<u>\$ 3,420</u>
Total support and revenue	<u>\$ 315,425</u>	<u>\$ (13,352)</u>	<u>\$ 302,073</u>
Expenses:			
Program services			
Court appointed special advocates	\$ 259,858	\$ -	\$ 259,858
Supporting services			
General and administrative	55,108	-	55,108
Total expenses	<u>\$ 314,966</u>	<u>\$ -</u>	<u>\$ 314,966</u>
Increase (decrease) in net assets	\$ 459	\$ (13,352)	\$ (12,893)
Net assets at beginning of year	<u>58,202</u>	<u>13,698</u>	<u>71,900</u>
Net assets at end of year	<u><u>\$ 58,661</u></u>	<u><u>\$ 346</u></u>	<u><u>\$ 59,007</u></u>

The accompanying notes are an integral part of this statement.

Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program Services	Supporting Services	
	Court		
	Appointed		
	Special	General and	Total
	Advocates	Administrative	
Salaries and related benefits	\$ 110,977	\$ 47,570	\$ 158,547
Payroll taxes	8,578	4,307	12,885
Worker compensation insurance	3,403	-	3,403
Total salaries and related expenses	\$ 122,958	\$ 51,877	\$ 174,835
Program supplies	\$ 6,072	\$ -	\$ 6,072
Telephone	3,634	-	3,634
Dues/licenses/permits	675	-	675
Occupancy	17,340	-	17,340
Travel and training	5,365	2,299	7,664
Postage	2,656	-	2,656
Equipment rental and maintenance	5,045	-	5,045
Fundraising	17,763	-	17,763
Insurance	4,788	-	4,788
Donations	1,056	-	1,056
Professional fees	40,375	-	40,375
Utilities	1,470	-	1,470
Contract labor	150	-	150
Advertising	5,786	-	5,786
Vehicle expenses	15,018	-	15,018
Interest	302	-	302
Public relations	1,636	-	1,636
Printing	3,334	-	3,334
Meals and entertainment	2,174	932	3,106
Security	1,198	-	1,198
Taxes and penalties	295	-	295
Total expenses before depreciation	\$ 136,132	\$ 3,231	\$ 139,363
Depreciation			
Purchased assets	\$ 768	\$ -	\$ 768
Total expenses	\$ 259,858	\$ 55,108	\$ 314,966

The accompanying notes are an integral part of this statement.

Statement of Central Louisiana
For the Year Ended June 30, 2014

Cash flows from operating activities:	
Cash received from grants	\$ 254,027
Cash received from contributions	20,350
Cash received from fundraising	24,524
Cash received from interest income	409
Cash payments for program activities	(148,207)
Cash payments to employees for services	(174,722)
Net cash used by operating activities	<u>\$ (23,619)</u>
Net increase (decrease) in cash and cash investments	\$ (23,619)
Cash and cash investments, July 1, 2013	60,593
Cash and cash investments, June 30, 2014	<u><u>\$ 36,974</u></u>
Reconciliation of net income from operations to net cash used by operating activities:	
Net income (loss) from operations	\$ (12,893)
Adjustments to reconcile net income (loss) from operations to net cash used by operating activities:	
Depreciation	\$ 768
Change in assets and liabilities:	
Increase in grants receivable	(2,413)
Decrease in accounts payable	(3,252)
Increase in prepaid expenses	(5,592)
Increase in gift cards	(350)
Increase in payroll taxes payable	113
Net cash used by operating activities	<u><u>\$ (23,619)</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Introduction

CASA of Central Louisiana, Inc. (Court Appointed Special Advocate of Central Louisiana, Inc.) is a Louisiana non-profit corporation and a member of the National Court Appointed Special Advocate Association. This corporation is organized and it shall be operated exclusively for charitable, religious, and educational purposes, within the meaning of Section 501 (c) (3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, including for purposes, to purchase, acquire, hold, use, manage, alienate or encumber property of any kind, necessary and proper to advocate for and protect the best interest of abused, neglected, and dependent children, and the making of distributions to Organizations that qualify as exempt Organizations under section 501 (c) (3) of the Internal Revenue Code or the corresponding section of any future federal tax code. The Board of Directors consists of not less than five nor more than twenty board members that are not compensated for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to readers. The financial statements of CASA of Central Louisiana, Inc. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The corporation has no capital stock.

A. Basis of Accounting

The financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization has no permanently restricted net assets as of June 30, 2014. In addition, the Organization is required to present a statement of cash flows.

B. Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and are reported in the statement of cash flows.

C. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Notes to the Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. There was no interest expense included during the current fiscal year.

Capital assets are depreciated using the straight-line method with the following estimated lives.

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Equipment	5 - 10 years

D. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of CASA of Central Louisiana, Inc., which are either unusual in nature or infrequent in occurrence.

E. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenses during the reporting period. Actual results could differ from those estimates.

F. Income Taxes

The Organization is qualified as an exempt Organization under Section 501 (c) (3) of the Internal Revenue Code and is not subject to federal income tax. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A) of the Internal Revenue code and has been determined by the Internal Revenue Service not to be a private foundation within Section 509 (a) of the Code.

G. Donated Facilities, Materials and Services

Donated materials, equipment, and use of facilities (if any) are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated services (if any) are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

H. Concentration of Risk

CASA of Central Louisiana, Inc.'s primary sources of support are from grants awarded by the state. Management is always seeking funding for the upcoming years through renewals of current grants as well as applying for new grants; however, in the event the Organization is unable to secure additional funding, the financial position of the Organization could be significantly impacted.

Notes to the Financial Statements (Continued)

I. Subsequent Events

The accounting records of the Organization were reviewed subsequent to year end and through the date the auditor's report was issued for subsequent events that could materially affect the financial statements. No subsequent events were found during this period that would materially affect the financial statements.

J. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the Statement of Financial Position.

2. ECONOMIC DEPENDENCY

The Organization receives a substantial portion of its total support from TANF (Temporary Assistance for Needy Families). During the period ended June 30, 2014, CASA of Central Louisiana, Inc. received \$228,779 in grant support, which represents 77% of total support.

3. CASH AND CASH EQUIVALENTS

At June 30, 2014, the Organization had cash and cash equivalents (book balances) totaling \$36,974 as follows:

Interest bearing demand deposits	<u>\$ 36,974</u>
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These deposits are stated at cost, which approximates market. At June 30, 2014, the Organization has \$58,151 in deposits (collected bank balances). These deposits are secured from risk by \$58,151 of federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables for June 30, 2014:

<u>Class of Receivable</u>	
Grants:	
TANF (Temporary Assistance for Needy Families)	<u>\$ 18,855</u>

Notes to the Financial Statements (Concluded)

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2014, for the Organization is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Equipment	\$ 10,765	\$ -	\$ -	\$ 10,765
Furniture and fixtures	2,479	-	-	2,479
Total capital assets being depreciated	<u>\$ 13,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,244</u>
Less accumulated depreciation for:				
Equipment	\$ 8,461	\$ 768	\$ -	\$ 9,229
Furniture and fixtures	2,479	-	-	2,479
Total accumulated depreciation	<u>\$ 10,940</u>	<u>\$ 768</u>	<u>\$ -</u>	<u>\$ 11,708</u>
Total capital assets being depreciated, net	<u>\$ 2,304</u>	<u>\$ (768)</u>	<u>\$ -</u>	<u>\$ 1,536</u>

6. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2014:

Class of Payable	
Accounts payable	\$ 946
Payroll taxes payable	4,094
Total	<u>\$ 5,040</u>

7. NET ASSETS

As required by SFAS No. 117, net assets have been reclassified into three categories: Unrestricted, temporarily restricted, and permanently restricted. The reclassification is as follows:

Unrestricted	\$ 58,661
Temporarily restricted	346
Permanently restricted	-
Total net assets	<u>\$ 59,007</u>

Temporarily restricted net assets are restricted for operating activities for future use.

8. LITIGATION AND CLAIMS

At June 30, 2014, CASA of Central Louisiana, Inc. had no litigation or claims pending.

9. TEMPORARILY RESTRICTED ASSETS

Rapides Foundation grant	<u>\$ 346</u>
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OTHER SUPPLEMENTAL INFORMATION

Schedule of CASA Assistance Program TANF
Revenue and Expenditure Activity
For the Year Ended June 30, 2014

Revenues and support:	
TANF grant	<u>\$ 228,779</u>
Expenses:	
Salaries	\$ 142,492
Fringe benefits	33,764
Operating expenses	44,616
Travel	10,140
Supplies	4,200
Printing	1,200
Professional fees	1,250
Training	1,740
Total expenses	<u>\$ 239,402</u>
Increase (decrease) in net assets	<u>\$ (10,623)</u>

OTHER INFORMATION

Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2014

Findings – Financial Statements Audit

Audit Finding No. 2013-1

Compliance

Condition: The CASA of Central Louisiana's annual financial audit was not completed and filed with the Louisiana Legislative Auditor on or before December 31, 2013.

Criteria: Louisiana Revised Statute (LS –R.S.) 24:513 (A) (5) (a) requires "audits shall be completed within six months of the close of the entity's fiscal year".

Cause and Condition: The financial records were available for audit in a timely manner. However, the auditor's mother became seriously ill and passed away in December 2013. The report was further delayed due to the auditor's office, containing audit information for the CASA of Central Louisiana, being destroyed by fire on February 25, 2014.

Effect of Condition: The CASA of Central Louisiana is not in compliance with Louisiana Revised State (LSA-R.S.) 24:513 (A) (5) (a).

Recommendation: None

Corrective action taken – Yes

Date of original occurrence – Unknown

Schedule of Current Year Audit Findings and Management's Response
For the Year Ended June 30, 2014

There were no current year audit findings as of June 30, 2014.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
CASA of Central Louisiana, Inc.
Natchitoches, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA of Central Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 23, 2014.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered CASA of Central Louisiana, Inc.'s, internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA of Central Louisiana, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of CASA of Central Louisiana, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CASA of Central Louisiana, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "J. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
December 23, 2014